ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Equal Access and Interconnection	)	CC Docket No. 94-54
Obligations Pertaining to	)	RM-8012
Commercial Mobile Services	)	

MCI REPLY COMMENTS

MCI Telecommunications Corporation (MCI), by its attorneys, hereby submits its reply comments in response to the Second Notice of Proposed Rulemaking (Notice) in the above-captioned proceeding.[1/]

CMRS-CMRS Interconnection. The opponents of direct CMRS-CMRS interconnection continue to claim, despite ample evidence to the contrary, that the marketplace is working well in providing such interconnection arrangements, and that it is unnecessary for the Commission to intervene. Although efficient and economical LEC-CMRS interconnection arrangements have long been sought by cellular carriers,[2/] such arrangements still remain just beyond the cellular

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[1/] MCI does not, in these comments, address all services classified as Commercial Mobile Radio Service (CMRS) by the Commission. Rather, MCI focuses on interconnection, resale and roaming for cellular and other broadband terrestrial CMRS services which may, in the future, be widely offered in competition with cellular and eventually with conventional landline telephone service.

[2/] See, e.g., The Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services, Telocator Cellular Division Report, October 6, 1986 at 2: "Despite concerted efforts by non-wireline carriers, not a single non-wireline cellular company has obtained a satisfactory interconnection compensation arrangement."

carriers' grasp.[3/] Now, faced with the prospect of vigorous competition from both facilities-based carriers and CMRS resellers, cellular carriers assert that LEC offerings are perfectly adequate, not only for themselves but for their competitors as well -- that indirect CMRS-CMRS interconnection via the LEC facilities is both efficient and economical.

The reason for this turnabout is apparent: indirect interconnection via the LEC causes both interconnecting parties to incur additional costs, which must ultimately be recovered from their customers. This places new entrants, as well as resellers operating on slim gross margins, at a disadvantage relative to the cellular incumbents. Although, as the Commission observed in para. 43 of the Notice, LEC-affiliated CMRS carriers may have a unique incentive to deny direct interconnection so as to keep CMRS-to-CMRS traffic interconnected via the LEC network, both cellular incumbents have an incentive to refuse to interconnect if the effect will be to raise the costs of competitors' entry.[4/] Moreover, the Commission's PCS rules, by permitting LECs to integrate their PCS operations with their landline operations, increase both the incentive and opportunity of some CMRS licensees to refuse to interconnect with competing CMRS providers, and the rules contain no other provisions which deter those licensees from engaging in practices or adopting price structures that constitute unlawful discrimination.

The claims of some parties that direct interconnection among CMRS carriers is technically infeasible are likewise without merit. AT&T, for example, acknowledges that it "has directly

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[3/] See, e.g., Comments of Airtouch at 8: "Cellular carriers have not yet obtained mutual compensation agreements with LECs, but such agreements are likely to be made as a result of future negotiations."

[4/] Notice, at n. 75.

interconnected with other CMRS providers in several instances, and is exploring additional opportunities at this time."[5/]

Although the Commission is proposing to place principal reliance on marketplace forces to establish CMRS-CMRS interconnection, the record does not support the Commission's expressed belief that the marketplace will handle the majority of problems. MCI submits that the better view is that expressed by GSA:

> To enable wireline and CMRS services to compete on an equal standing with each other, the same requirements for interconnection should be applied to each.... CMRS interconnection will provide a broader spectrum of telecommunications services because it will give both end users and other carriers much greater flexibility in synthesizing new services. If the same interconnection rules apply for CMRS as for wireline services, resellers and end users will be able to select from among radio and wireline alternatives without bias introduced by different regulatory standards.[6/]

Even assuming the Commission's expectation -- that most interconnection issues will be resolved through the operation of market forces -- proves accurate, there will still remain a number of cases in which regulatory intervention is necessary.

Although some commenters contend that the relative absence of interconnection complaints suggests that the marketplace is already resolving these issues, it is more likely that the low volume of complaints reflects the reluctance of parties to seek Commission redress. Given the

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[5/] AT&T Comments, Ex.2 (Maass Decl.) at para. 7. Although AT&T's discussion of the reseller switch proposal identifies certain "technical problems" (see AT&T's Comments and in the supporting declaration of Roderick Nelson), those problems do not appear to have prevented AT&T -- in its role as switch vendor to GTE Mobilnet -- from providing a "virtual switch" overlay solution which allows both SBMS, a BOC affiliate subject to equal access requirements and GTE Mobilnet, a non-equal access cellular carrier, both to use the GTE Mobilnet cellular system infrastructure to serve their respective sets of customers in the Houston/Beaumont market. See discussion of resale, below, and Attachment 1.

[6/] Comments of the General Services Administration, at 4-5.

low priority assigned by the Commission to such complaints -- because the Commission has often wrongly perceived interconnection disputes as commercial disputes between parties with equal bargaining power -- complaints tend to languish without resolution far too long. Equal bargaining power is rarely present in interconnection disputes. More often than not, they involve a new entrant seeking to obtain interconnection from an established competitor, often a LEC affiliate, in order to commence operation or to offer a new service. Commercial necessity -- not legitimate "market forces" -- often dictate the need for the new entrant to accept a less than optimal technical or economic solution.

As was true in the early days of cellular service, delay in resolution of interconnection disputes may lead to inability to bring valuable new services to customers. Therefore, MCI recommends that the Commission adopt policies and procedures for the expeditious resolution of CMRS-CMRS interconnection disputes. Once a dispute is brought before the Commission for resolution, the Enforcement Division of the Wireless Telecommunications Bureau should devote adequate resources and employ appropriate dispute resolution techniques to expeditiously resolve the issues presented. In the event that either party to the dispute filed a formal complaint, the Commission would be obligated to act within the twelve-month period specified in Section 208 of the Communications Act.

Resale. The comments of many cellular industry participants express general antipathy toward resellers.[7/] Ironically, when cellular carriers opt to resell long distance services instead of

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[7/] See, e.g., CTIA Comments at 34, describing the "free rider" concept. See also Vanguard Comments at 14-15: "A rule that would permit a resellers [sic] to 'free-ride' on the

(continued...)

constructing their own long distance infrastructure, they portray themselves not as "free riders" or those who "pick apart" the networks constructed by those who have invested billions annually in nationwide and world-wide fiber optic networks, but as savvy businesspersons who serve their customers' best interests by using the profits derived from long distance resale to help keep cellular airtime rates affordable.[8/]

In today's interdependent global economy, only a relative handful of producers of goods or services -- from basketball shoes to cellular service -- can claim ownership of all of the facilities used in the production of their products or services. In telecommunications in particular, upwards of 95 percent of all telephone calls transit LEC facilities; neither long distance carriers nor cellular carriers can claim anything near 100 percent ownership of the infrastructure used to deliver services to their customers. Virtually every industry participant is, to one degree or another, a reseller. The Commission has long recognized the many benefits that accrue to the public through resale.[9/] The cellular carriers' comments reflect a prejudice within the cellular industry toward resellers that is unfounded, and reflect the cellular providers' lack of interest or inclination to support, or even to offer, viable resale programs. In the absence of a showing of special

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[7/](...continued)
sacrifices and innovation of others, and to pick apart the networks that facilities-based CMRS providers have worked so diligently to construct, would lead to a decrease in investment and new facilities by current and emerging providers in the long term."

[8/] See, e.g., Comments of SNET Mobility, Inc. in CC Docket 94-54, September 12, 1994 at 7-8. Similarly, Comcast has asserted that its ability to "negotiate with IXCs to purchase volume discounted long distance service" enables it "to offer free unlimited long distance calling during weekends." Comcast Comments, September 12, 1994 at 29.

[9/] Regulatory Policies Concerning Resale and Shared Use of Common Carrier Services and Facilities, 60 FCC2d 261 (1976)(subsequent history omitted); Regulatory Policies Concerning Resale and Shared Use of Common Carrier Domestic Public Switched Network Services, 83 FCC2d 167 (1980)(subsequent history omitted).

stances meriting an exception to the general Commission policy favoring unrestricted resale -- which the commenters here have not made -- the Commission should reaffirm the applicability of its resale policies to CMRS.

The Commission's proposed requirement that "any volume discount available to a cellular or other CMRS carrier's large "retail" customers must also be made available to resellers on the same terms and conditions offered to retail customers"[10/] would limit bulk discounts to those given to the cellular carriers' best large account program; it would not create a viable resale opportunity, because a reseller does much more for its customers (in terms of billing, customer service, equipment and the like) than the cellular carriers' largest "retail" customers do for themselves. In this and other proceedings, MCI and other commenters have identified a number of other factors -- including number portability, mutual compensation, and access to data necessary to complete calls, to detect and prevent fraud and to bill for services rendered. Access to these resources and capabilities is essential if CMRS resellers -- who are, under OBRA, themselves CMRS providers[11/] entitled to regulatory parity with facilities-based CMRS carriers -- are to be competitive by offering the range of services their customers desire. Although resale arrangements in the cellular industry have largely been limited to the "plain vanilla" variety, the Commission's "resale" policy is -- and should remain -- broad enough to cover numerous varieties of switchless and switch-based resale, capable of providing a wide range of benefits to customers.

[10/] Notice, at para. 85.

[11/] See BellSouth Corporation, Order, DA 95-1041 (Wireless Telecommunications Bureau, June 22, 1995) at para. 8.

Many "resale" arrangements discussed in proponents' comments are closely analogous to other telecommunications industry interconnection and traffic exchange arrangements, with the principal difference here being that one of the participating CMRS providers lacks a spectrum license. Through its ongoing discussions with cellular carriers and switch vendors, MCI has learned that there are no insuperable technical obstacles to interconnecting facilities to create a "network of networks." Moreover, through a recent filing with the Department of Justice, MCI has become aware that it is now technically feasible and apparently cost-effective, through a "virtual switch" overlay, for two cellular carriers to employ a single cellular network infrastructure to offer their respective customers packages of services which differ in significant respects, including different local calling scopes and different long distance options. Although characterized as a "marketing" arrangement arising out of a joint venture between the carriers' parents, this recent development is a significant step toward the type of networking arrangement which MCI, GSA and others have long advocated for CMRS, one which can introduce meaningful competition to the cellular duopoly[12/] well before the PCS license winners have completed system construction; the availability of such "marketing" or "infrastructure sharing" arrangements should not be limited to joint venture partners.

Under the law, it the offering of CMRS -- and not the possession of an FCC license or the ownership of any related infrastructure -- that makes an entity a CMRS provider. MCI urges the Commission to adopt a regulatory framework that provides parity of regulatory treatment to all forms of interconnection and traffic exchange among CMRS providers, whether those providers

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[12/] In the "me-too" waiver request filed with the MFJ Court on June 6, 1995, SBC Communications stated that the grant of the requested waiver would permit its subsidiary, SBMS, to "become the third cellular service provider in the Houston market." Attachment 1, at 2.

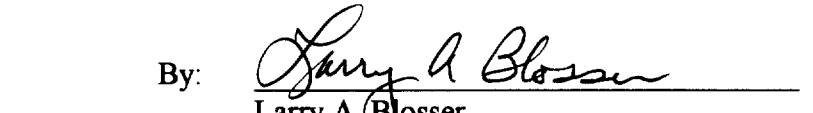
in a particular service or geographic market are facilities-based carriers, resellers or part of an infrastructure-sharing joint venture.

Roaming. The Commission has recognized that roaming capability is an increasingly important feature of mobile telephony, and that "the intelligent network features and connections required to support roaming capability are critically important to the development of the 'network of networks.'" [13/] and, therefore, expressed its intention to take any steps necessary to support roaming, should its monitoring of the situation determine that action is necessary. Id. AT&T, at 24, asserts that mandating any form of roaming other than "manual" roaming (the least complex type of roaming available, one that does not incorporate advanced features such as fraud prevention or customer verification) would "undermine a CMRS provider's ability to implement a nationwide seamless roaming plan." AT&T proffers no explanation of how a simple non-discrimination requirement -- that those CMRS providers already participating in industry-standard (i.e. IS-41) automated roaming networks provide non-discriminatory network access to other CMRS providers -- could "undermine" its "ability to implement a nationwide seamless roaming plan." Forcing new entrants to settle for manual roaming, if their customers are to have roaming at all, would shift the burden of wireless fraud to new entrants and their customers. It would be both anti-competitive and anti-consumer to permit carriers to arbitrarily limit roaming to the "manual" mode. Accordingly, MCI urges the Commission to declare that CMRS providers participating in "seamless roaming" networks may not arbitrarily deny access to those networks, including those which incorporate fraud prevention and customer verification capabilities.

[13/] Notice, at para. 54.

WHEREFORE, MCI respectfully requests that the Commission give the views expressed herein and in MCI's previous submissions in this docket appropriate consideration in its deliberations concerning the issues raised in the Notice.

Respectfully submitted,
MCI TELECOMMUNICATIONS CORPORATION

By: 

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Its Attorneys

Dated: July 14, 1995

Attachment 1

Motion of SBC Communications Inc.
for a "Me-Too" Waiver to Provide MultiLATA Cellular Service
Throughout the Houston and Beaumont MSAs

Dated June 6, 1995

(Service Lists Omitted)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Civil Action No. 82-0192 (HHG)
	§	
WESTERN ELECTRIC CO., INC. and AMERICAN TELEPHONE AND TELEGRAPH COMPANY,	§	
	§	
	§	
Defendants.	§	

MOTION OF SBC COMMUNICATIONS INC.
FOR A "ME-TOO" WAIVER TO PROVIDE MULTILATA CELLULAR SERVICE
THROUGHOUT THE HOUSTON AND BEAUMONT MSAs

SBC Communications Inc. ("SBC") hereby requests a "me too" waiver of Section II(D)(1) of the decree to permit SBC to provide integrated, multiLATA cellular service throughout the Houston and Beaumont, Texas Metropolitan Statistical Areas ("MSAs"). This waiver relief is identical in all material respects to that granted BellSouth by Order of the Court on February 2, 1989. With that waiver relief, BellSouth, through its ownership interest in the Houston Cellular Telephone Company (HCTC), currently is authorized to provide its subscribers with integrated, multiLATA cellular service throughout the Houston and Beaumont MSAs. SBC is seeking to provide its cellular subscribers with an expanded local calling scope which is the same as that authorized by Court for BellSouth.

Specifically, Scuthwestern Bell Mobile Systems (SBMS), SBC's cellular subsidiary, will utilize the cellular network of GTE

Mobilnet[1] under the terms of a joint venture agreement between SBC and GTE Corp. (GTE), to offer its subscribers in the Houston market a package of cellular services which includes integrated, multiLATA cellular service throughout the Houston and Beaumont MSAs.[2] SBMS will thus become the third cellular service provider in the Houston market.

This "me too" waiver request is filed pursuant to the expedited procedures set forth in the Court's Memorandum Orders of March 13, 1986 and July 30, 1991. In accordance with those procedures, SBC filed its "me too" waiver request with the Department of Justice ("Department") on April 11, 1995, a copy of which is attached hereto as Exhibit A. No comments were filed with the Department on this waiver request. In response to a request from the Department, SBC provided some supplemental information to the Department concerning its waiver request. See letter from Martin E. Grambow to Carolyn Davis dated May 12, 1995, a copy of which is attached hereto as Exhibit B. Subsequently, the Department advised SBC that it would support this waiver request, and that it was prepared to make the necessary "me-too" certification. See letter from Nancy M. Goodman to Martin E. Grambow dated June 20, 1995, a copy of which is attached hereto as Exhibit C.

SBC's "me-too" waiver request is identical in all material

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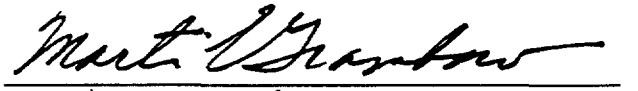
[1]GTE's cellular subsidiary, GTE Mobilnet controls the "B" block license for the Houston cellular market.

[2]SBMS will provide equal access to its customers in the Houston/Beaumont MSAs. GTE Mobilnet will arrange for the installation of the software necessary to implement equal access for SBMS' subscribers.

respects to that previously granted by the Court to BellSouth. SBC has agreed to be bound by the same terms and conditions imposed by the Court upon BellSouth. SBC's "me-too" waiver request raises no legal or factual issues different from those considered by the Court in connection with the waiver relief granted to BellSouth on February 2, 1989. Accordingly, the Court should grant this "me-too" waiver request. A proposed order is attached hereto.

RESPECTFULLY SUBMITTED,



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June 6, 1995

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SBC

April 11, 1995

Donald J. Russell
Chief
Telecommunications Task Force
Antitrust Division
U.S. Department of Justice
555 4th Street, N.W.
Washington, D.C. 20001

Re: Motion Of Southwestern Bell Corporation d/b/a SBC Communications Inc. For A "Me-Too" Waiver To Provide MultiLATA Cellular Service Throughout The Houston And Beaumont MSAs

Dear Mr. Russell:

Please find attached hereto the above-referenced motion for a "me-too" waiver from the Modification of Final Judgment in United States v. Western Electric Co., Civil Action No. 82-0192.

Under the Court's procedures, "me-too" waiver requests must be first filed with the Department for "preliminary review." When a request, such as this one, is identical "in all respects" to one previously approved by the Court, the Department may apply an "expedited review procedure" and file a certification to that effect with the Court.

SBC respectfully requests that the Department -- consistent with the Court's Order of March 13, 1986 -- expeditiously review this "me-too" waiver request, approve the waiver, and file a statement with the Court containing the appropriate certification as soon as possible.

Sincerely yours,

Martin E. Grambow

EXHIBIT A

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Civil Action No. 82-0192 (HHG)
	§	
WESTERN ELECTRIC CO., INC. and AMERICAN TELEPHONE AND TELEGRAPH COMPANY,	§	
	§	
Defendants.	§	

MOTION OF SOUTHWESTERN BELL CORPORATION d/b/a SBC COMMUNICATIONS INC. FOR A "ME TOO" WAIVER TO PROVIDE MULTILATA CELLULAR SERVICE THROUGHOUT THE HOUSTON AND BEAUMONT MSAS

Southwestern Bell Corporation, d/b/a SBC Communications Inc. ("SBC"), on behalf of itself and its subsidiary, Southwestern Bell Mobile Systems, Inc. ("SBMS"), hereby moves the Department to recommend a "me too" waiver of Section II(D) of the Modification of Final Judgment identical to that granted by the Court to BellSouth on February 2, 1989, under which BellSouth provides integrated multiLATA cellular service throughout the Houston and Beaumont, Texas MSAs.

BACKGROUND

Neither SBC nor SBMS is licensed by the FCC to provide facilities-based cellular service in the Houston and Beaumont MSAs. However, as attested to by Mr. Jeff Ducato in the attached affidavit, SBC has entered into a Joint Venture Alliance Agreement with GTE Corp. ("GTE") under which, among other things, the parties have agreed to a marketing arrangement whereby each party may market and furnish cellular service to end users in the other's

cellular service territories within Texas.

GTE's cellular subsidiary, GTE Mobilnet, controls the "B" block cellular license, and provides cellular service in the Houston, Beaumont and Galveston MSAs pursuant to that license. The local calling scope currently offered by GTE Mobilnet in the Houston market crosses the Houston/Beaumont LATA boundaries (as well as others), and includes all three of those MSAs.[1] Pursuant to the authority granted by the Court's February 2, 1989 Order, BellSouth, through its ownership interest in the "A" block cellular licensee, Houston Cellular Telephone Company ("HCTC"), also offers service across the Houston and Beaumont MSA boundaries as a part of its local calling scope in the Houston market. Grant of this "me too" application is necessary for SBMS to compete more effectively with the calling scopes offered by GTE Mobilnet and HCTC, and to thereby provide customers in the Houston market with a third option in major cellular service providers.[2]

THE STANDARD FOR RELIEF

This waiver is submitted to the Department for expedited treatment as a "me too" request for relief identical to that approved by the Court for BellSouth. Although this waiver involves

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[1] In order to compete with GTE on a more equal basis, SBC may find it necessary to seek additional expanded calling scope authority for the Galveston MSA, and other areas served by GTE on an integrated basis. However, at the present time, SBC's request is limited to a "me too" of the authority previously granted by the Court to Bell South.

[2] SBMS's local calling scope will also include additional RSA areas, as permitted under Paragraph 2 of the Court's February 18, 1993 Order on the BOC's generic RSA waiver request (the "RSA waiver").

a request for in-region relief, SBC contends that it presents no material legal or factual issues different from those considered by the Court in connection with BellSouth's out-of-region request. However, to the extent it may be perceived as necessary, SBC would show that this request meets the standard for relief under Section VIII(C) of the Decree.

Under Section VIII(C), a waiver must be granted "upon a showing by the petitioning BOC that there is no substantial possibility that it could use its monopoly power to impede competition in the market it seeks to enter." As set forth below, the relief requested by this waiver would not allow SBC to "impede competition" in either the cellular or interexchange markets.

In its November 1, 1983 opinion granting waivers for several BOCs to provide cellular service across LATA boundaries in nine different metropolitan complexes,[3] the Court, after a thorough evaluation of the potential competitive effects, concluded that such service would not jeopardize competition in either the interexchange or cellular markets. Based on this reasoning, the Court has granted numerous subsequent waivers authorizing the provision of integrated multiLATA cellular service both in and out-of-region.[4] The present waiver does not involve any legal or

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[3] United States v. Western Electric, 578 F.Supp. 643 (D.C. Dist. 1983).

[4] The Court's February 2, 1989 Order authorizing BellSouth to provide cellular service across LATA boundaries in the Houston market is one such out-of-region waiver. SBC was granted an in-region waiver on March 31, 1988 for SBMS to provide integrated service through its Kansas City cellular system to Topeka and Lawrence, Kansas and to St. Joseph, Missouri. Pursuant to the

factual issues which are materially different from those at issue in the other requests considered and granted by the Court.

As previously noted, far from impeding competition, SBMS' entry into the Houston cellular market will enhance competition by bringing a third major carrier to the market. Customers will experience a direct and immediate benefit from the arrangement, as they will have an additional carrier from which to choose when selecting a cellular service provider.[5]

With regard to interconnection issues, because SBMS' provision of cellular service in the Houston/Beaumont areas will be through a marketing arrangement with GTE Mobilnet (its direct competitor in the same market), GTE will maintain control and ownership of the cellular facilities. As such, SBC's incentive and/or ability to favor itself or to disadvantage GTE Mobilnet is non-existent, and is infinitesimal with regard to the other facilities-based carrier. In similar circumstances, the Court has found that to the minimal extent any such ability or incentive may

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Court's Order of May 25, 1994, NYNEX was very recently granted in-region authority to provide interLATA cellular service between the Syracuse and Buffalo LATAs. See also, the Court's Order issued June 25, 1985 allowing Bell Atlantic to provide interLATA cellular service in the Washington-Baltimore area; the Orders issued September 6, 1988, allowing Ameritech, BellSouth, U S West, Bell Atlantic and NYNEX to provide multiLATA cellular mobile telephone service in certain of their in-region MSAs and RSAs; and the Court's Order and Memorandum of January 28, 1987, allowing NYNEX to provide extended cellular service beyond LATA and CGSA boundaries. Additionally, the RSA waiver applies generically to RSAs both in an out-of-region.

[5]SBMS' customers also will be offered a choice of long distance carriers, as GTE has agreed to take steps to permit SBMS' cellular customers to receive equal access.

exist, it is fully alleviated by the requirement contained in the attached proposed order that interconnection by SBC's cellular affiliate shall be on no more favorable terms than those offered by SBC's telephone operating company to any other cellular system.[6]

Finally, as also noted by the Court,[7] the cellular services for which relief is sought are not substitutes for landline interLATA facilities such that SBMS would be competing with interexchange carriers to any significant degree. SBMS will comply with equal access requirements, and has agreed that the interexchange links for the services authorized by this waiver will be leased from non-affiliated carriers.[8] There is thus no substantial possibility that the grant of the requested relief would impede competition in the interexchange market as a whole.

CONCLUSION

SBC requests that the Department recommend a "me too" waiver of Section II(D), allowing SBMS to provide integrated multiLATA cellular service throughout the Houston and Beaumont MSAs on the same terms and conditions which applied to the waiver granted to BellSouth on February 2, 1989. Unless SBMS is allowed to offer the expanded calling scope that such a waiver would

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[6]See, 578 F.Supp at 651. SBC will comply with the first condition of the proposed order by ensuring that its operating telephone company provides equal interconnection to all cellular providers in the Houston market.

[7]See, 578 F. Supp at 649-650.

[8]SBC will comply with the second condition of the proposed order by providing service, including any interLATA links, from GTE MobilNet under the marketing agreement.

permit, SBMS will be severely hampered in its ability to compete effectively with BellSouth, and the customer's choice of cellular provider will be needlessly limited. No Decree purpose would be served by such a disparity in service. SBC has met the Section VIII(C) standard as applied by the Court in numerous other instances, and relief should be granted accordingly.

A proposed order is attached.

Respectfully submitted,

SBC Communications Inc.

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ATTORNEYS FOR
SBC COMMUNICATIONS INC.

April 11, 1995

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 82-0192(HG)
	)	
WESTERN ELECTRIC COMPANY, INC. and AMERICAN TELEPHONE AND TELEGRAPH COMPANY,	)	
	)	
Defendants.	)	

AFFIDAVIT

I, Jeff Ducato, having previously reached my eighteen birthday and being duly sworn on my oath, hereby state:

1. My name is Jeff Ducato. I am employed by Southwestern Bell Mobile Systems, Inc. ("SBMS") and hold the title of President of Southwestern Bell Services, a d/b/a of SBMS.

2. In that capacity, I am responsible for the implementation of the "Texas Joint Venture Alliance Agreement" dated October 27, 1994, between Southwestern Bell Corporation d/b/a SBC Communications Inc. and GTE Corporation ("Agreement") in the Houston/Beaumont, Texas area.

3. The statements made in the pleading entitled "Motion of Southwestern Bell Corporation, d/b/a SBC Communications Inc., for a "Me Too" Waiver to Provide MultiLATA Cellular Service Throughout the Houston and Beaumont MSAs" which summarize the Agreement and those that describe the local calling scopes offered by GTE Mobilnet and Houston Cellular Telephone Company are accurate.

Jeff Ducato

County of Menard)
) ss.
State of Illinois)

Subscribed and sworn to before me on this 7 day of April, 1995.

Notary Public

\ducato.aff

OFFICIAL SEAL
CONNIE MARIE SAMPSON
NOTARY PUBLIC - STATE OF ILLINOIS
My Commission Expires April 13, 1997

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Civil Action No. 82-0192 (HHG)
	§	
WESTERN ELECTRIC CO., INC. and AMERICAN TELEPHONE AND TELEGRAPH COMPANY,	§	
	§	
	§	
	§	
Defendants.	§	

ORDER

Upon consideration of the Motion of the United States for a waiver of Section II(D)(1) of the Decree to permit Southwestern Bell Corporation, d/b/a SBC Communications Inc. ("SBC") to provide integrated multiLATA cellular service throughout the Houston and Beaumont, Texas, Metropolitan Statistical Areas ("MSAs"), it is hereby

ORDERED, this the ____ day of _____, 1995, that the Motion is granted and that SBC shall be permitted to provide integrated multiLATA cellular service throughout the Houston and Beaumont, Texas MSAs, subject to the following conditions:

(1) The terms and conditions (including price) on which SBC operating companies provide exchange access and interconnection to affiliated cellular systems shall be no more favorable than those offered to competing cellular systems.

(2) The interexchange links for the multiLATA cellular services authorized by this Order shall be leased from

nonaffiliated interexchange carriers on terms and conditions (including price) no more favorable than those available to SBC's competitors from the same interexchange carriers.

Harold H. Greene
United States District Judge

Dated: _____

Martin E. Grambow
Vice President -
General Attorney

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May 12, 1995

Carolyn L. Davis
Telecommunications Task Force
Antitrust Division
U.S. Department of Justice
555 4th Street, N.W.
Washington, D.C. 20001

Re: Motion Of SBC Communications Inc. For A "Me-Too" Waiver To Provide MultiLATA Cellular Service Throughout The Houston and Beaumont MSAs

Dear Ms. Davis:

This is in response to your request for additional information in connection with this waiver request. Specifically, you have asked for confirmation of the geographic boundaries involved, SBC Communications Inc.'s (SBC's) business relationship to GTE Corp. (GTE), and how equal access will be provided.

Geographic Boundaries

As described in the motion, SBC is seeking precisely the same waiver relief as that granted to BellSouth on February 2, 1989. The Court's Order permitted BellSouth to provide cellular service throughout the Houston and Beaumont MSAs, notwithstanding the fact that those MSAs cross a LATA boundary. As you can see from the map attached hereto, the boundary between the Houston LATA and the Beaumont LATA bisects the Houston and Beaumont MSAs. With this waiver relief, SBC's cellular subsidiary, Southwestern Bell Mobile Systems (SBMS), would be permitted to provide cellular service with an expanded local calling scope throughout the Houston and Beaumont MSAs.

SBC's Business Relationship To GTE

SBC and GTE have entered into a joint venture agreement, which permits either company and their affiliates to enter into separate agreements with the other's cellular affiliate to create multi-network service offerings in those Texas markets served by either SBC, GTE, or their affiliates. Under this arrangement,

EXHIBIT B